



FEED-IN TARIFF

Eligibility Criteria

An Eligible Small-Scale Distributed Renewable Generation Resource (“Eligible Resource”) must meet the following criteria:

New Resource. The Eligible Resource must be new, meaning that the Eligible Resource must not have produced or delivered electric energy prior to the date on which its FIT Application is received by RCEA.

Small-Scale. The nameplate generating capacity of any Eligible Resource must be smaller than 1 MW (megawatt), alternating current.

Located in RCEA Service Territory. The Eligible Resource must be located entirely within the service territory of Redwood Coast Energy Authority, as such service territory is defined on the date of FIT Application submittal.

RPS Compliant. The Eligible Resource must use a fuel source permitted under California’s current RPS program, as further described in the California Energy Commission’s Renewables Portfolio Standard Eligibility Guidebook. Eligible fuel sources include, but are not limited to, the following:

Biomass	Biodiesel
Fuel cells using renewable fuels	Digester gas
Landfill gas	Municipal solid waste
Ocean wave	Ocean thermal
Tidal current	Solar Photovoltaic
Small hydroelectric	Solar thermal
Wind	Geothermal

Interconnection. Projects need to interconnect using Pacific Gas & Electric Company (PG&E’s) Wholesale Distribution Tariff (WDT) to be eligible. Electric interconnection of the Eligible Resource, including execution of all applicable agreements, shall be the sole responsibility of the FIT applicant, inclusive of all related costs, and shall be completed consistent with interconnection requirements specified by PG&E and/or the California Independent System Operator (CAISO), as appropriate.

Permits. The FIT applicant must obtain all necessary permits from the appropriate jurisdictional agency having authority and shall maintain such permits, as may be required, for the duration of the Agreement.

Bundled Product. The product sold by an Eligible Resource and purchased by RCEA shall include all electric energy, net of station service, environmental attributes (including related Renewable Energy Certificates, which shall be transferred to RCEA) and capacity. For the sake of clarity, environmental

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attributes shall include all emission reduction benefits associated with the generation of renewable electricity by the Eligible Resource as well as other attributes. Participating Applicants will need to register with WREGIS and transfer all Renewable Energy Credits (RECs) to RCEA's account.

FIT Agreement. All Eligible Resources shall execute RCEA's FIT Agreement which is a standard, non-negotiable, long term power purchase agreement (PPA).

Prime Agriculture Land Exclusion. New renewable energy projects for the FIT may not be developed on Prime Agriculture land. Site eligibility may be determined by consulting the County of Humboldt's WebGIS portal <http://webgis.co.humboldt.ca.us/HCEGIS2.0/>. For prime agricultural soils, select the "Natural Resources" Layer Group and "NRCS 2014 Soils (Proposed)" Layer within that Group. Facilities on "Farmland of statewide importance" or "Prime farmland if irrigated" as identified in this Layer are discouraged.

FIT Agreement Length

Contract length will be set at 20 years. More details are in the standard contract.

FIT Contract Initial Base Price

The initial contract base price is \$0.08/kilowatt-hour (kWh) [*\$80/MWh*].

Market Adjusting Pricing

The base price for the FIT is subject to periodic adjustments based on the market. After each two-month period the base price of the FIT will be adjusted to reflect market interest in the program. In a two-month period, 2 MWs of capacity will be available for contract while total programmatic capacity lasts. At the end of each period, if 0-25% of the available capacity is claimed the base price in the next period will increase by \$0.002/kilowatt-hour (kWh) [*\$2.00/MWh*]. If 25%-75% of the period capacity is claimed, the base price in the next period will stay the same. If 75%-100% of the capacity is brought under contract, the base price for the next period will decrease by \$0.002/kilowatt-hour (kWh) [*\$2.00/MWh*]. The base price for each new period will be available on RCEA's website by the first day of the period.

Price Ceiling and Floor

While the FIT base price may adjust upward or downward from the initial \$0.08/kilowatt-hour (kWh) [*\$80/MWh*], the base price may not exceed \$0.09/kilowatt-hour (kWh) [*\$90/MWh*] and may not drop below \$0.07/kilowatt-hour (kWh) [*\$70/MWh*]. The base price ceiling and floor do not include bonus incentives. When applicable, bonus incentives may be included in a project's price that would otherwise exceed the price ceiling.

Bonus Incentives

RCEA may adjust FIT pricing for certain Eligible Resources that meet the following criteria:

Bonus Criteria	Bonus Amount	Bonus Payout Period
EnviroStor Brownfield	\$0.01 / kWh (<i>\$10 / MWh</i>)	Paid during the first 5 contract years of Eligible Resource operation
Previously Developed Site Location	\$0.005 / kWh (<i>\$5 / MWh</i>)	
Local Business	\$0.005 / kWh (<i>\$5 / MWh</i>)	

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Bonus payments, if any, will be added to the contract base price for the first five (5) years of the contract. After the first five contract years, the price will revert to the base price in effect at the time the project application was received.

The bonus incentives for EnviroStor Brownfields and for Previously Developed Sites cannot be claimed together. If a project is eligible for both incentives the higher, EnviroStor Brownfields, incentive will be applied.

Details on required documentation are outlined in the FIT Application. Characteristics are defined as follows:

EnviroStor Brownfields are specific sites identified by the Department of Toxic Substances Control data management system, EnviroStor. A list of eligible sites may be found at <https://redwoodenergy.org/feed-in-tariff/>.

Previously Developed Sites are defined as areas that either contain or have contained structures or were used for parking, loading or storage related to a previous or existing land use other than agricultural grazing or crop production within the last 20 years. To claim this bonus, the previously developed land must make up at least 20% of the project footprint. Development documentation, in the form of building permits or verifiable ground, aerial, or satellite photography, as solely determined by RCEA, must be provided by the FIT applicant.

Local Business To qualify for the Local Business incentive the applicant and/or prime contractor must have a place of business (i.e. possesses a business license) and is headquartered in Humboldt County.

FIT Payments

Payments will be made monthly by RCEA to the applicant for each Eligible Resource based on metered electric deliveries. Meter readings delivered by PG&E will be used for payment determination and quantification as described in the FIT Agreement.

FIT Capacity Limit

RCEA's FIT has a capacity limit of six megawatts. The program will continue until there is no remaining available capacity, or until RCEA decides at its discretion to stop accepting new applications.

Forecasting Requirements

Generation forecasts will be required at the time of application and updated (as needed) during construction and throughout the Delivery Term. Underperforming years may be grounds for penalties and changes to the PPA or termination as appropriate.

Penalties

If the system over-generates beyond 115% of contractual output in any contract year, compensation will be at 50% of standard price per kWh of surplus generation up to any contractual and/or financial limits for that contract year.

System underperformance that results in less than 80% of contractual output for two consecutive years is grounds for contract renegotiation or termination.

Collateral

Applicants are required to post and maintain a collateral requirement of twenty dollars (\$20.00) for each kilowatt (kW AC) of Contract Capacity. The Collateral Requirement will be held by RCEA and must be in the form of either cash deposit or Letter of Credit.

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Fees and Deposit

There is a non-refundable application fee of \$500, and a required deposit of \$4 per kW (AC) of installed capacity, which is fully refundable upon project completion.

Application Timeline

Interconnection supplemental review must be complete (i.e. tendered IA in place) and application for permits submitted at time of FIT application to RCEA.

Curing Period

RCEA will review all applications upon receipt. If there are minor errors in the application the applicant will have ten days to correct the deficiencies after being informed by RCEA. The applicant will retain their place in the queue during this curing period. If the applicant fails to correct those errors in the ten-day window their place in the queue will be forfeited.

Applicant Heterogeneity Preference

If there are more than three (3) applications in a given period, including more than one application from one applicant, contracts will be awarded to different applicants to maximize heterogeneity.

Application Queue

All applications submitted will be accepted on a first come-first served basis. Projects that have missed their milestones may be terminated to allow for more applications.

Board Approval

The RCEA Board of Directors must approve every FIT PPA before execution.